

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7973**

**BILL NUMBER: HB 2018**

**DATE PREPARED:** Jan 10, 2001

**BILL AMENDED:**

**SUBJECT:** Elimination of school general fund property tax.

**FISCAL ANALYST:** Bob Sigalow

**PHONE NUMBER:** 232-9859

**FUNDS AFFECTED:**

**GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** Pending

**Summary of Legislation:** Prohibits a school corporation from imposing a general fund property tax levy beginning in 2006. Provides a property tax replacement credit for school general fund property taxes in 2002 through 2005, beginning at 20% and increasing by 20% each year. Requires that an additional 20% of the sales tax be deposited into the state general fund beginning in 2005. Reduces the amount of sales tax that is deposited into the property tax replacement fund in 2005. Provides that the sales tax applies to services except for legal and medical services beginning in 2005. Increases the supplemental net corporate income tax from 4.5% to 6% beginning in 2005. Annually appropriates \$120,000,000 from the state general fund for distribution to public school corporations throughout the state beginning 2006.

**Effective Date:** Upon passage; July 1, 2001; January 1, 2002; March 1, 2004; January 1, 2005; January 1, 2006.

**Explanation of State Expenditures:** *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**